

Confidential

ALCO

Summary Package

August 16, 2007

LEHMAN BROTHERS

Agenda:

- ◆ Liquidity Update: (slide 2 - 4)

- Liquidity Pool as of August 15 was \$27.6 billion, \$2.4 billion increase from the previous day primarily due to \$1.9 billion return of LBI shortfall cover and \$0.6bn intercompany paydown to the holdings.

- Cash Capital Surplus:

<i>\$billions</i>	7/20 (actual)	7/31 (actual)	8/31 (est.)	9/30 (est.)	10/31 (est.)	11/30 (est.)
CC Surplus	7.7	5.2	5.7	4.5	3.2	2.0

- ◆ Money Market Repos Status: (slide 5)

- ◆ Secured Funding Status: (slide 6)

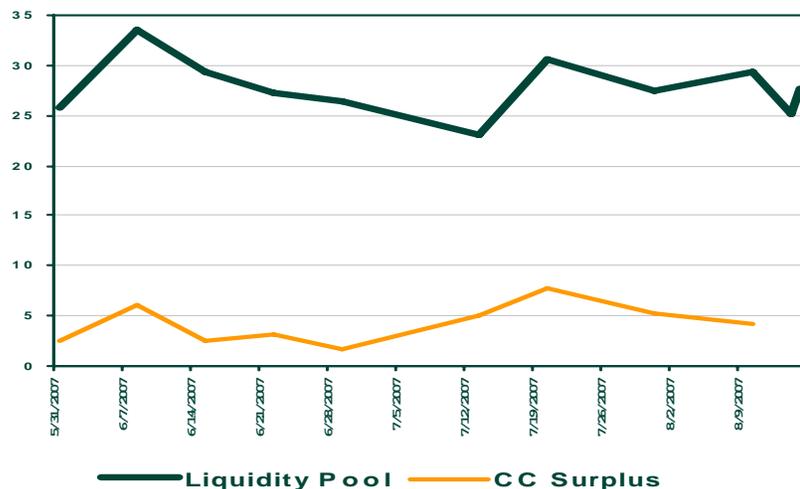
- ◆ Business Changes from Previous Status: (slides 7 - 10)

- ◆ Market Updates: (slide 11)

Liquidity and Cash Capital

- ◆ Liquidity Pool as of August 15 was \$27.6 billion, \$2.4 billion increase from the previous day primarily due to \$1.9 billion return of LBI shortfall cover and \$0.6bn intercompany paydown to the holdings..
- ◆ Cash Capital surplus as of Aug 10 is projected at \$4.2 billion. The Q3 and Q4 surpluses are projected to be \$5.7 billion and \$2.0 billion respectively.

QTD Liquidity Pool and Cash Capital Surplus



Cash Capital Projection

CC Position for the month ending 7/31 5.2

Change in Liabilities	
Projected Structured Issuance	1.6
Public Debt Issuance	-
Cash Capital Facilities	3.0
AEGIS funding for Home Depot	-
Reduction in Pending Facilities	(1.2)
Roll into Current Portion	(1.6)
LTD Buybacks	(0.1)
Equity	0.2
Total	1.9

Change in Business Usage	
HY/HG	
- Loan Funding	(6.2)
- Syndication/Selldown	3.5
Total HY/HG	(2.6)
Real Estate	
- Loan Funding	(2.9)
- Securitization/Syndication/Selldown	7.1
Total Real Estate	4.2
Other	(2.9)
Total Change in Business Usage	(1.4)

CC Projection for the month ending 8/31 (Q3) 5.7

Change in Liabilities	
Projected Structured Issuance	3.3
Public Debt Issuance	-
Cash Capital Facilities	15.2
LLF Facility for TXU	0.8
Roll into Current Portion	(5.3)
Equity	0.5
Total	14.5

Change in Business Usage	
HY/HG	
- Loan Funding	(16.3)
- Syndication/Selldown	1.1
Total HY/HG	(15.2)
Real Estate	
- Loan Funding	(13.1)
- Securitization/Syndication/Selldown	10.3
Total Real Estate	(2.8)
Other	(0.2)
Total Change in Business Usage	(18.2)

CC Projection for the month ending 11/30 (Q4) 2.0

Q3 Liquidity Pool Projection

- ◆ Liquidity Pool at the end of Q3 is projected to be \$31.2 billion, \$4.4 billion increase from July 31, 2007. The main driver of the increase is a settlement of pending trades for \$4.8 billion, which includes \$1.8 billion return of LBI shortfall cover and \$1.5 billion Cash Capital facilities drawdown, and an additional Cash Capital facilities drawdown of \$1.8 billion and LTD issuance of \$1.2 billion also contributed the increase of the liquidity pool.

Liquidity Pool vs. Maximum Cumulative Outflow

<i>\$Billions</i>	31-Jul	31-Aug
Liquidity Pool	26.7	31.2
Pending LTD Settlements	1.2	1.2 *
Pending STD Settlements	0.1	-
Pending Other Settlements	6.8	2.1 **
Total Liquidity (A)	34.8	34.5 ***
LTD Maturity	14.7	14.7
STD Maturity	9.4	9.2
Contingent Commitment (Prefunding)	3.1	3.1
Derivatives Uncollateralized Payables/Overcollateralization	2.1	2.1
Debt and Equity Buyback	2.0	2.0
Letters of Credit	0.4	0.4
UK Unapplied Cash	0.3	0.3
Contingent Collateralization on Derivatives	0.1	0.1
LB Lux Certificates	0.1	0.1
Total Outflow (B)	32.2	32.0
MCO 1 year forward position (A-B)	2.6	2.5

The Liquidity Pool is projected to increase by \$4.4 billion.

LTD Issuance	1.6
LTD Maturities/Buyback	(1.2)
CC Facilities Drawdown	3.3
Net Business Sales/(Fundings)	(1.9)
Return of LBI shortfall cover	1.8
Return of Proj. Vancouver funding	0.3
Others	0.5
Total increase in Liquidity Pool	4.4

* \$1.2 billion LTD issuance expected to settle after the quarter end

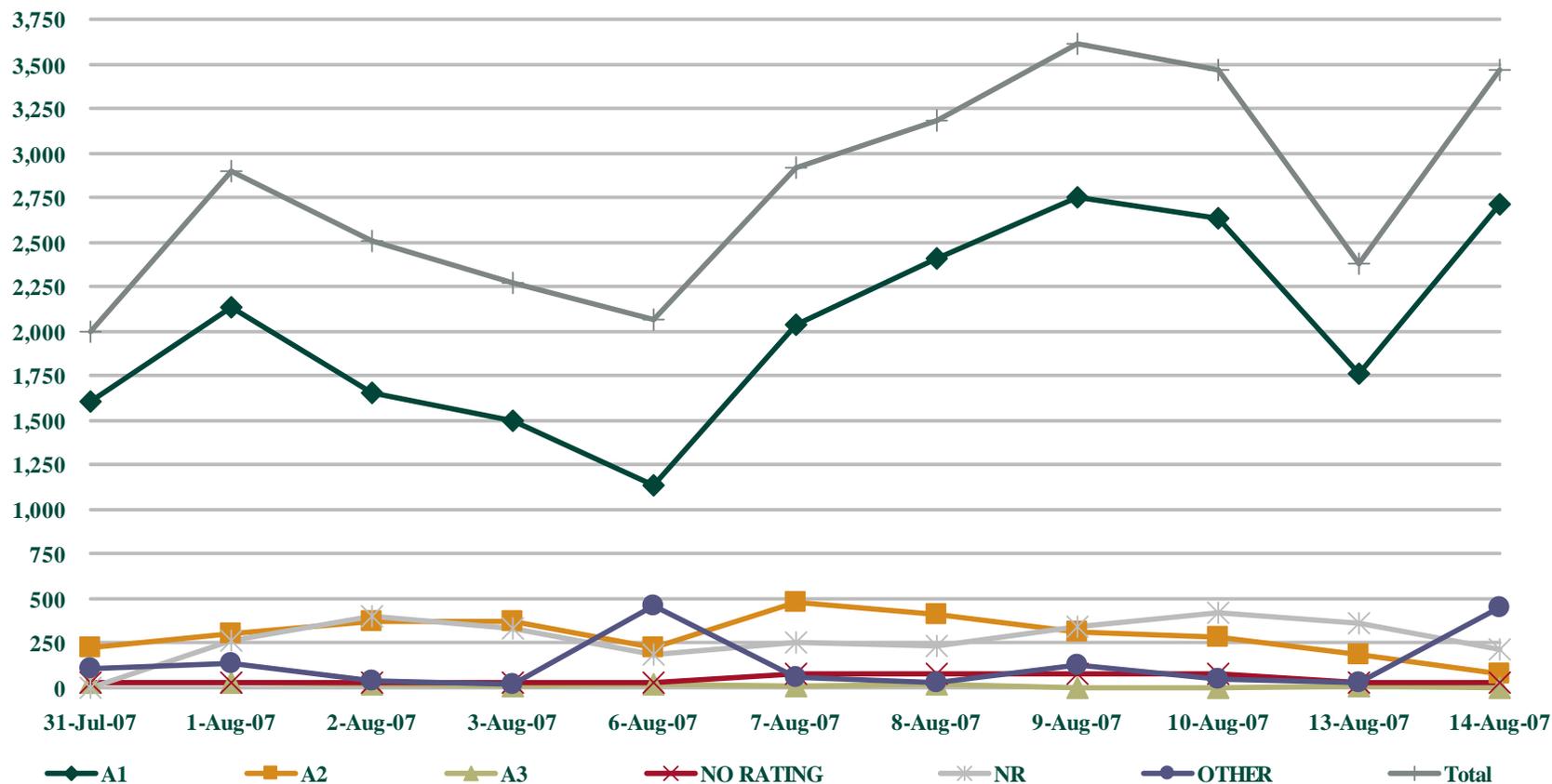
** Return of \$2.1 billion Project Vancouver is expected to remain as pending at the end of Q3

*** Includes \$2.3 billion AEGIS Investments

Money Market Repos

Money Market Repos

\$ Millions



Secured Funding Status

Secured Funding Volumes

Collateral Allocated Summary	Principal (\$Bn)	Avg Tenor (Days)
Fund Units	0.4	128
E3 - Non-Major Index Equities (<\$5)	2.1	87
C2 - Non-Investment Grade Convertibles	3.7	59
C1 - Investment Grade Convertibles	2.0	58
E2 - Non-Major Index Equities	12.4	49
Wholeloan Residential	2.6	38
Asset Backs - Non-Investment Grade	0.8	36
Asset Backs - Investment Grade	6.1	34
Preferreds	1.1	32
EMG	12.2	31
Private Labels - Investment Grade	10.9	29
Corporates - Investment Grade	16.0	21
E1 - Major Index Equities	10.4	21
Corporates - Non-Investment Grade	9.6	18
Private Labels - High Yield	2.9	12
Muni	2.3	7
Money Markets (A1)	2.7	5
Money Markets (A2, A3, Other)	0.8	1
Other	0.0	1
Grand Total	99.0	31

Top 25 Counterparties

Counterparty Group	Principal (\$Bn)	Avg Tenor (Days)
STATE STREET	12.1	39
DRESDNER	7.5	47
Fidelity	7.2	27
JP MORGAN CHASE	6.8	39
BANKHAUS	5.0	61
RBC	5.0	20
DEXIA	4.7	9
IXIS	2.7	4
RACERS	2.6	180
RABOBANK	2.5	11
ABN AMRO	2.4	88
DANSKE BANK	2.2	14
MELLON	2.1	22
ING	2.0	14
BARCLAYS	1.9	11
KEY TRUST	1.9	25
BGI	1.4	16
UBS	1.4	2
NOMURA	1.4	3
CITIBANK	1.3	43
CALYON	1.1	15
BANCO SANTANDER	1.1	68
LCH	1.0	6
NORTHERN	1.0	14
DZ Bank Ag	1.0	1
Other (75 Counterparties)	19.8	11
Grand Total	99.0	31

1. The above is based on global cash repo trades as of August 14th, 2007, excluding products traded special, Governments, Treasuries, Government/MBS Agencies, Sovereigns, and Commercial Wholeloans.

LEHMAN BROTHERS

HY/HG – Loan Funding & Syndication Pipeline

- ◆ Total Funding: \$22.5Bn
- ◆ Total Syndication: \$3.5Bn
- ◆ Amounts in pre-LLF, post-banks

Timeline	Funding	Syndication
Q3	6.2	3.5
	Q3 Closed/Projected Funding	Q3 Closed/Projected Syndication
Closed	2.8	2.1
	1.0 Funding of Allison Transmission	0.6 Syndication of Jarden to 3rd parties (traded, pending settlement)
	0.6 Funding of Jarden	0.5 Syndication of Alpha III
	0.6 Funding of PHS	0.4 Repayment of Racepoint IV
	0.4 Funding of Project Rembrandt	0.4 Syndication of Goodyear
	0.1 Funding of Gulf Stream	0.2 Transfer of Icopal to BH
	0.1 Funding of CW Media Holdings	
Projected	3.4	1.4
	1.7 Funding of Home Depot Supply	0.3 Transfer of Debitel Group to Bankhaus
	0.6 Funding of USIS	0.3 Transfer of PHS to Bankhaus
	0.5 Funding of ACTS (Air Canada)	0.3 Transfer of Vertrue to Bankhaus
	0.3 Funding of Vertrue	0.2 Syndication of MSIM Peconic Bay
	0.1 Funding of Chevron Global	0.1 Syndication of PHS
	0.1 Funding of CCS	0.1 Syndication of Merlin
	0.1 Funding of EPCO Holdings	0.1 Syndication of Project Rembrandt (Delek)
	0.1 Funding of Nuance	0.1 Syndication of Icopal
Q4	16.3	-
	Q4 Projected Funding	Q4 Projected Syndication
Sep	9.1	-
	2.8 Funding of First Data	
	1.7 Funding of Applebees/IHOP	
	1.2 Funding of CDW	
	1.1 Funding of Alliance Data	
	1.0 Funding of Harman International	
	0.6 Funding of PHH Corp	
	0.2 Funding of Cenveo Corp	
	0.2 Funding of misc. Asia HY/HG loans	
	0.1 Funding of Tenska	
	0.1 Funding of Biomet	
	0.1 Funding of Windstream Regatta	
Oct	2.5	-
	0.6 Funding of Sequa	
	0.5 Funding of Lloyds	
	0.4 Funding of McJunkin	
	0.4 Funding of LKQ	
	0.3 Funding of MacArthur	
	0.2 Funding of Metavante	
	0.2 Funding of ARINC	
Nov	4.7	-
	3.3 Funding of TXU	
	0.8 Funding of United Rentals	
	0.5 Funding of Hawaiian Telecom	
	0.1 Funding of PQ Corp	
Total HY/HG	22.5	3.5
	Total Funding in Q3 and Q4	Total Syndication in Q3 and Q4

Real Estate – Loan Funding & Syndication Pipeline

- ◆ Total Funding: \$16.0Bn
- ◆ Total Syndication: \$17.4Bn
- ◆ Amounts in pre-LLF, post-banks

Timeline	Funding	Syndication/Securitization
Q3	(2.9) Q3 Closed/Projected Funding	7.1 Q3 Closed/Projected Syndication/Securitization
Closed	(0.1) Funding of Sunset Gower Studios (0.1) Funding of EQR Nashville	1.0 Windermere 12 securitization - Repo 0.1 Windermere 12 securitization - Sold 0.9 Windermere 11 securitization - Sold 0.6 Windermere 11 securitization - Repo 0.2 Repayment of Figueroa (Project Trois) 0.2 Transfer of John Hancock to Bankhaus 0.1 Repayment of Tishman portfolio 0.1 Transfers of UCP to Bankhaus
Projected	(0.4) Funding of Beta (0.2) Funding of Centrum Konpaniet (0.9) Funding of Gospel (0.4) Funding of Kenedix (0.5) Funding of misc. Asia Real Estate loans (0.2) Funding of misc. European Real Estate loans (0.1) Funding of PTG loans	1.2 USCWL C-5 securitization (floater) - Sold 0.3 USCWL C-5 securitization (floater) - Repo 1.1 USCWL C-6 securitization 0.6 RE loan transfers to Bankhaus 0.0 Syndication of 360 Newbury 0.1 Syndication of Drapers Gardens 0.4 Syndication of Floater B note and Mezz 0.1 Syndication of misc. Asia Real Estate loans 0.1 Syndication of misc. European Real Estate loans 0.1 Syndication of Palisades
Q4	(13.1) Q4 Projected Funding	10.3 Q4 Projected Syndication/Securitization
Sep	(2.7) (0.3) Funding of 230 Park Ave (0.1) Funding of Beef Island Resort (0.3) Funding of Conduit/PTG loans (0.1) Funding of Friars Square (0.6) Funding of Gospel (0.1) Funding of Grand Asset (0.1) Funding of misc. Asia Real Estate loans (0.5) Funding of misc. European Real Estate loans (0.2) Funding of misc. US Real Estate loans (0.2) Funding of Project Teodora (0.1) Funding of Protego (0.2) Funding of Star Capital	1.1 0.7 LJAC 5 CMBS 0.4 Syndication of Floater B note and Mezz
Oct	(8.3) (5.0) Funding of Archstone (estimated net funding) (0.3) Funding of Conduit/PTG loans (1.0) Funding of Hilton (0.6) Funding of Legacy Loan (0.7) Funding of misc. Asia Real Estate loans (0.4) Funding of misc. European Real Estate loans (0.3) Funding of misc. US Real Estate loans (0.1) Funding of Protego	1.8 0.5 Project Pearl securitization 0.8 Securitization of Green 0.4 Syndication of Floater B note and Mezz 0.1 Syndication of misc. Asia Real Estate loans
Nov	(2.0) (0.3) Funding of Conduit/PTG loans (0.7) Funding of misc. Asia Real Estate loans (0.4) Funding of misc. European Real Estate loans (0.3) Funding of misc. US Real Estate loans (0.2) Funding of Phuket (0.1) Funding of Protego	7.4 3.2 Gospel Securitisation 0.6 LJAC 6 CMBS 0.2 Syndication of Floater B note and Mezz 0.2 Syndication of Kenedix 0.3 Syndication of Ryowa 0.1 Syndication of West 44th St 1.2 USCWL C-7 securitization 1.5 Windermere 14 securitization
Total RE	(16.0) Total Funding in Q3 and Q4	17.4 Total Syndication/Securitization in Q3 and Q4

Archstone-Smith

Potential Commitments

	Original Commitment	% owned	Current Commitment as of 08/08/07	% owned	Commitment with Fannie but no asset sales	% owned	Commitment with Fannie and asset sales	% owned
Lehman Debt	8,550	39%	8,123	37%	4,798	32%	2,755	25%
Bank of America Debt	8,550	39%	4,275	19%	2,350	15%	1,595	15%
Barclays Debt			4,703	21%	2,953	19%	1,450	13%
Lehman Bridge Equity	2,300	10%	2,176	10%	2,176	14%	2,176	20%
Bank of America Bridge Equity	2,300	10%	1,274	6%	1,274	8%	1,274	12%
Barclays Bridge Equity			1,150	5%	1,150	8%	1,150	11%
Lehman Permanent Equity	250	1%	250	1%	250	2%	250	2%
Tishman Permanent Equity	250	1%	250	1%	250	2%	250	2%
Total	22,200	100%	22,200	100%	15,200	100%	10,900	100%
Lehman's Commitment	11,100	50%	10,548	48%	7,223	48%	5,181	48%

- ◆ Lehman's current commitment (excluding Fannie Mae) is 47.5% of the \$22.2bn, comprised of: \$8.1bn of floating rate debt; \$2.2bn bridge equity and \$250mm of permanent equity.
- ◆ Fannie Mae has circled \$7bn of the total debt subject to a 30 day due diligence period, this would leave Lehman with a debt commitment of \$4.8bn and a total commitment of \$7.2bn (47.5%).
- ◆ The new ownership entity is looking to reduce the debt commitment by approximately \$4.3bn by predominantly selling assets, to close simultaneously at closing; this would leave Lehman with a debt commitment of \$2.8bn and a total commitment of \$5.2bn (47.5%).

LEHMAN BROTHERS

Securitized Products – Loan Funding & Syndication Pipeline

- ◆ Total Funding: \$1.2Bn
- ◆ Total Syndication: \$0.9Bn
- ◆ Amounts in pre-LLF, post-banks

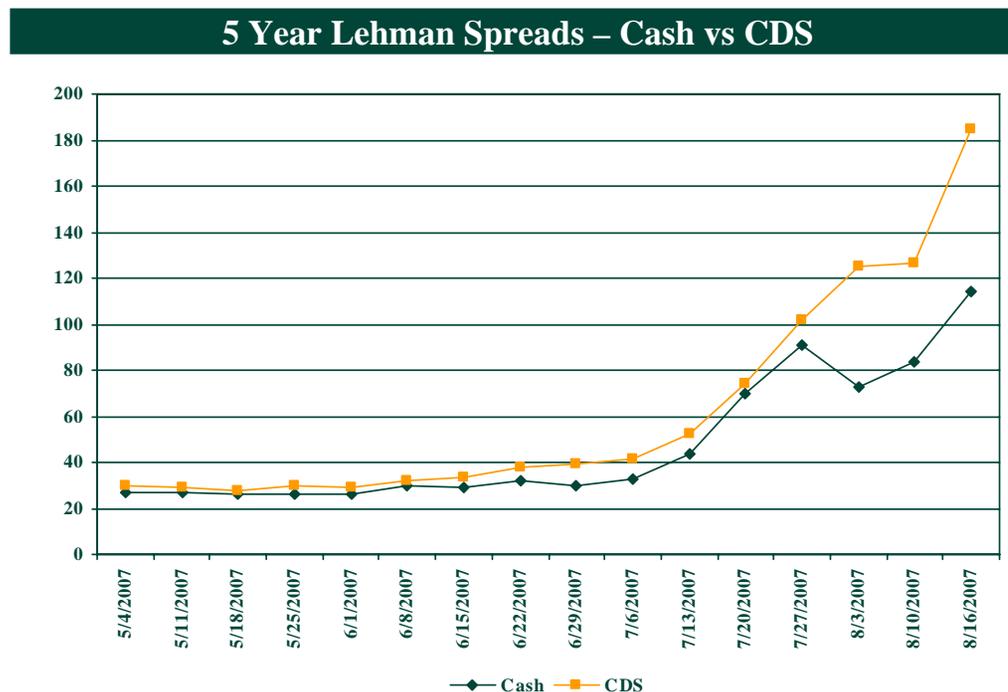
Timeline	Funding	Syndication/Securitization
Q3	0.3 Q3 Closed/Projected Funding	0.2 Q3 Closed/Projected Syndication/Securitization
	0.1 Funding of THSRC drawdown in Taiwan	0.2 Eurosail 07-4 securitization
	0.2 Requirement in Securitized Products	
Q4	0.9 Q4 Projected Funding	0.7 Q4 Projected Syndication/Securitization
	0.3 Funding of THSRC drawdown in Taiwan	0.7 CASA 2007-1 securitization
	0.6 Requirement in Securitized Products	
Total STF	1.2 Total Funding in Q3 and Q4	0.9 Total Syndication/Securitization in Q3 and Q4

Market Update

- ◆ Countrywide has announced that they are drawing on their entire \$11.5bn credit facility. This is a committed, unsecured credit facility provided by a syndicate of 40 of the worlds largest banks. Fitch has just downgraded Countrywide to 'BBB' from 'A', ResCap from 'BBB' to 'BB+', and placed IndyMac on rating watch negative. Fed president William Poole indicated it's unlikely that the Fed will be cutting rates prior to the Sep Fed meeting.

CDS	
BSC	180/200
GS	95/100
MER	105/120
MS	100/115
LEH	175/195

Cash:	
5yr	L + 114
10y	L + 148
30y	L + 188



Appendices

HG & HY Credit LBO Update

◆ Incremental funding for High Yield and High Grade combined predicted to be required in August is \$6.0bn, this is reduced to \$3.7bn post subsidiary banks

◆ Incremental Funding in Q4 for High Grade and High Yield is predicted to be \$17.7bn pre banks and \$14.9bn post banks

◆ CW Media (\$283mm) closed, \$100mm of this went into LBCB

◆ TXU was pushed back from September to the end of November

High Yield Bond and Leveraged Loan Bridge Book

U.S. Deals

Deal	Closing Date	Funding Date	Total Commitment	Additional Bridge Equity	Gross					Net of banks, sales & syndications				
					Aug	Sep	Oct	Nov	Dec	Aug	Sep	Oct	Nov	Dec
A&P	09/15/07	09/15/07	\$118		\$0	\$118	\$118	\$118	\$118	\$0	\$0	\$0	\$0	\$0
ACTS (Air Canada)	08/16/07	08/16/07	\$687		\$639	\$639	\$639	\$639	\$639	\$514	\$514	\$514	\$514	\$514
Alliance Data	09/30/07	09/30/07	\$1,322		\$0	\$1,222	\$1,222	\$1,222	\$1,222	\$0	\$1,097	\$1,097	\$1,097	\$1,097
Applebee's International, Inc/IHOP Corp*	09/30/07	09/30/07	\$2,139		\$0	\$2,039	\$2,039	\$2,039	\$2,039	\$0	\$1,664	\$1,664	\$1,664	\$1,664
ARINC Incorporated	10/15/07	10/15/07	\$365		\$0	\$0	\$328	\$328	\$328	\$0	\$0	\$203	\$203	\$203
Biomet, Inc.	09/30/07	09/30/07	\$407		\$0	\$88	\$88	\$88	\$88	\$0	\$88	\$88	\$88	\$88
CDW Corporation	09/30/07	09/30/07	\$1,464		\$0	\$1,374	\$1,374	\$1,374	\$1,374	\$0	\$1,249	\$1,249	\$1,249	\$1,249
Cerveo Corporation	09/30/07	09/30/07	\$175		\$0	\$175	\$175	\$175	\$175	\$0	\$175	\$175	\$175	\$175
Chembulk Tankers	08/17/07	08/17/07	\$172		\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21
Chronic Care Solutions Holding Inc. (CCS Medical)	08/21/07	08/21/07	\$86		\$76	\$76	\$76	\$76	\$76	\$76	\$76	\$76	\$76	\$76
EPCO Holdings, Inc.	08/23/07	08/23/07	\$110		\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63
Exterran Holdings	08/20/07	08/20/07	\$75		\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
FairPoint Communications	01/31/08	01/31/08	\$832		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Data Corporation	09/30/07	09/30/07	\$2,895	\$250	\$0	\$2,723	\$2,723	\$2,723	\$2,723	\$0	\$2,598	\$2,598	\$2,598	\$2,598
Harman International Industries	09/24/07	09/24/07	\$1,146	\$350	\$0	\$1,025	\$1,025	\$1,025	\$1,025	\$0	\$650	\$650	\$650	\$650
Hawaiian Telecom Yellow Pages*	11/01/07	11/01/07	\$455		\$0	\$0	\$450	\$450	\$450	\$0	\$0	\$0	\$450	\$450
Home Depot Supply	08/23/07	08/23/07	\$3,317		\$2,584	\$2,584	\$2,584	\$2,584	\$2,584	\$2,209	\$2,209	\$2,209	\$2,209	\$2,209
LKQ	10/01/07	10/01/07	\$545		\$0	\$0	\$495	\$495	\$495	\$0	\$0	\$370	\$370	\$370
McJunkin	10/15/07	10/15/07	\$569		\$0	\$0	\$499	\$499	\$499	\$0	\$0	\$374	\$374	\$374
Metavante Corporation	10/01/07	10/01/07	\$400		\$0	\$0	\$350	\$350	\$350	\$0	\$0	\$225	\$225	\$225
Nuance	08/31/07	08/31/07	\$56		\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56
PHH Corporation	09/28/07	09/28/07	\$1,200		\$0	\$358	\$358	\$358	\$358	\$0	\$333	\$333	\$333	\$333
PQ Corporation (CPQ Holdings LLC)	11/15/07	11/15/07	\$145		\$0	\$0	\$145	\$145	\$145	\$0	\$0	\$0	\$145	\$145
Riverdeep	1/08	1/08	\$2,398		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sequa Corp	10/01/07	10/01/07	\$820		\$0	\$0	\$760	\$760	\$760	\$0	\$0	\$635	\$635	\$635
Tenaska	09/30/07	09/30/07	\$146		\$0	\$146	\$146	\$146	\$146	\$0	\$146	\$146	\$146	\$146
TXU Corp	11/30/07	11/30/07	\$4,737	\$500	\$0	\$0	\$2,903	\$2,903	\$2,903	\$0	\$0	\$0	\$2,778	\$2,778
United Rentals	11/01/07	11/01/07	\$975		\$0	\$0	\$833	\$833	\$833	\$0	\$0	\$0	\$833	\$833
USIS	08/21/07	08/21/07	\$816		\$757	\$757	\$757	\$757	\$757	\$632	\$632	\$632	\$632	\$632
Vettrue Incorporated	08/16/07	08/16/07	\$396		\$378	\$378	\$378	\$378	\$378	\$28	\$28	\$28	\$28	\$28
Windstream Regatta	09/30/07	09/30/07	\$59		\$0	\$55	\$55	\$55	\$55	\$0	\$55	\$55	\$55	\$55
Total Americas			\$28,329	\$1,100	\$4,615	\$13,938	\$16,369	\$20,700	\$20,700	\$3,640	\$11,595	\$13,401	\$17,607	\$17,607

Europe/Asia Deals

Deal	Closing Date	Funding Date	Commitment	Gross					Net of banks, sales & syndications				
				Aug	Sep	Oct	Nov	Dec	Aug	Sep	Oct	Nov	Dec
Chevron Global	08/07/07	08/08/07	\$482	\$330	\$330	\$330	\$330	\$330	\$0	\$0	\$0	\$0	\$0
Consolidated Minerals / Territory Resources	10/01/07	10/01/07	\$273	\$0	\$0	\$273	\$273	\$273	\$0	\$0	\$23	\$23	\$23
Debitel Group	07/26/07	07/31/07	\$344	\$307	\$307	\$307	\$307	\$307	\$57	\$57	\$57	\$57	\$57
Endermol Holdings	07/03/07	07/03/07	\$576	\$387	\$387	\$387	\$387	\$387	\$137	\$137	\$137	\$137	\$137
Icopal A/S	07/27/07	07/31/07	\$351	\$268	\$268	\$268	\$268	\$268	\$18	\$18	\$18	\$18	\$18
Lloyds	05/17/07	10/01/07	\$534	\$0	\$0	\$534	\$534	\$534	\$0	\$0	\$534	\$534	\$534
Merlin	03/04/07	05/21/07	\$318	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
PHS	07/02/07	08/01/07	\$676	\$585	\$585	\$585	\$585	\$585	\$335	\$335	\$335	\$335	\$335
Sisal	10/16/06	10/17/06	\$203	\$185	\$185	\$185	\$185	\$185	\$0	\$0	\$0	\$0	\$0
Total Europe/Asia			\$3,756	\$2,346	\$2,346	\$3,154	\$3,154	\$3,154	\$912	\$912	\$1,469	\$1,469	\$1,469
TOTAL HY			\$32,085	\$6,961	\$16,284	\$19,523	\$23,854	\$23,854	\$4,551	\$12,507	\$14,870	\$19,076	\$19,076

High Grade

Deal	Closing Date	Funding Date	Commitment	Gross					Net of banks, sales & syndications					
				Aug	Sep	Oct	Nov	Dec	Aug	Sep	Oct	Nov	Dec	
Imperial Tobacco	07/18/07	12/01/07	\$4,934					\$2,384					\$2,134	
Transocean	12/31/07	12/31/07	\$5,000					\$4,000					\$3,375	
PHH Corporation	09/28/07	09/28/07	\$1,200			\$852	\$852	\$852	\$0	\$352	\$352	\$352	\$352	
ITC Holdings	12/01/07	12/01/07	\$750					\$750		\$0	\$0	\$0	\$125	
TC Group (Carlyle)	08/17/07	08/17/07	\$360		\$360	\$360	\$360	\$360	\$110	\$110	\$110	\$110	\$110	
Buckeye Partners	12/31/07	12/31/07	\$225					\$0		\$0	\$0	\$0	\$0	
Best Buy Co., Inc.	08/28/07	08/28/07	\$200		\$125	\$125	\$125	\$125	\$0	\$0	\$0	\$0	\$0	
TOTAL HG			\$12,669		\$485	\$1,337	\$1,337	\$1,337	\$8,471	\$110	\$462	\$462	\$462	\$6,096
TOTAL HY & HG			\$44,754		\$7,446	\$17,621	\$20,860	\$25,191	\$32,325	\$4,661	\$12,969	\$15,332	\$19,538	\$25,172
Incremental funding					\$6,020	\$10,175	\$3,239	\$4,331	\$7,134	\$3,669	\$8,307	\$2,364	\$4,206	\$5,634

1. All numbers are pre-LLF.
2. Additional Bridge Equity is not included in funding requirement amounts
3. Archstone is not included in this report
4. Home Depot (HG) is not included in this report as only one of HD and HD Supply will fund

Funding by banks

Plan: \$9.8bn of loans to go into the banks by year end

		Aug	Sep	Oct	Nov	Total Q4
◆ The plan as of early August was to have \$4.2bn of loans go into the banks by the end of Q3, split \$3.1bn HG/HY and \$1.1bn real estate	High Grade/High Yield					
	Bankhaus	\$1,711	\$1,000	\$0	\$0	\$1,000
	LBCB	\$1,100	\$1,000	\$500	\$0	\$1,500
	LBB	\$250	\$250	\$0	\$0	\$250
		\$3,061	\$2,250	\$500	\$0	\$2,750
◆ There are \$5.6bn of loans in the pipeline for banks for Q4, split \$2.8bn HG/HY and \$2.9bn real estate	Real Estate					
	Bankhaus	\$223	\$158	\$225	\$263	\$646
	LBCB	\$375	\$250	\$250	\$250	\$750
	LBB	\$500	\$500	\$500	\$500	\$1,500
		\$1,098	\$908	\$975	\$1,013	\$2,896
	Total	\$4,159	\$3,158	\$1,475	\$1,013	\$5,646

Actual: \$2.5bn of commitments (\$1.8bn funded) moved into the banks month to date

Date	HG/HY/CRE	Loan Name	Notional / Commitment	Funded Amount
8/2/2007	HG	Entergy Corp	\$135,000,000	\$77,567,142
8/13/2007	CRE	707 Broad Street	\$42,000,000	\$42,000,000
8/15/2007	CRE	PECO X	\$54,000,000	\$54,000,000
Various	CRE	Sub \$50mm pieces	\$58,650,000	\$58,650,000
Various	HG	Sub \$50mm pieces	\$150,000,000	\$0
		LBB Total	\$439,650,000	\$232,217,142
8/8/2007	HY	Allison Transmission	\$100,000,000	\$100,000,000
8/9/2007	CRE	IFF Building	\$90,000,000	\$90,000,000
8/9/2007	HY	Jarden	\$100,000,000	\$100,000,000
8/10/2007	HY	Targa Resources	\$101,250,000	\$101,250,000
8/10/2007	GPS	Daimler Chrysler	\$50,000,000	\$50,000,000
8/15/2007	HY	CW Media Holdings	\$100,000,000	\$100,000,000
Various	GPS	Sub \$50mm pieces	\$19,000,000	\$19,000,000
Various	HG	Sub \$50mm pieces	\$247,000,000	\$29,762,500
Various	HY	Sub \$50mm pieces	\$47,500,000	\$40,818,498
		LBCB Total	\$854,750,000	\$630,830,998
8/9/2007	HG	Project Vancouver (Aval)	\$274,000,000	\$274,000,000
8/10/2007	RE	Roadrunner	\$250,000,000	\$0
8/13/2007	HY	Icopal	\$183,000,000	\$176,000,000
8/15/2007	HY	Debitel	\$268,000,000	\$251,000,000
8/15/2007	CRE	Hancock Mezz (Whitehall)	\$186,000,000	\$186,000,000
8/15/2007	CRE	10 UCP Mezz (Broadway Partners)	\$54,000,000	\$54,000,000
		Bankhaus Total	\$1,215,000,000	\$941,000,000

Contingent Liquidity Facilities Update

Lehman Loan Funding (LLF)

Current Loan Designations & Prefundings

	Designation Capacity	Funding Capacity	Prefunded Amount	Lehman Purchased	Actual Prefunded
Lehman Loan Fund (LLF)	7,500	7,500	2,614	-	2,614
Loan	Designated	Funded			
TXU	2,000	-			
ALCOA	1,100	-			
SANTA FE	1,000	-			
IMPERIAL	650	-			
IBM	408	408			
Total	5,158	408			
Remaining Capacity	2,342	7,092	2,614	-	2,614

- ◆ IBM loan paid down from \$606mm to \$408mm on August 13th.

Commentary

- ◆ **Overview:** Lehman Loan Funding (LLF) is a conduit affiliate of Lehman which was set up to fund designated acquisition loans. LLF is 75% owned by Hudson Castle, and is funded by secured liquidity notes issued to investors.

Maturity Profile

Maturity	Amount (\$mm)
Week of Aug 13	3,917
Week of Aug 20	741
Week of Aug 27	800
Month of Sep	4,258
Month of Oct	2,619
Month of Nov	1,393
	13,728

Note: Maturity Profile represents entire Fenway program, of which about 15% is LLF, as of Aug. 10th.

Aegis

Current Loan Designations & Prefundings

	Designation Capacity	Funding Capacity	Prefunded Amount	Lehman Purchased	Actual Prefunded
Aegis	6,000	2,437	2,352	(973)	1,379
Loan*	Designated	Funded			
GENERAL ELECTRIC CAPITAL CO.	625	-			
IBM	225	-			
THE THOMSON CORP.	203	-			
RESIDENTIAL CAPITAL LLC	150	-			
THE HARTFORD FIN SERVICES GR	100	-			
TIME WARNER INC.	100	-			
MARRIOTT INTERNATIONAL INC.	95	-			
CONOCOPHILLIPS	77	-			
KRAFT FOODS INC.	65	-			
ISTAR FINANCIAL INC.	60	-			
ORACLE CORP	50	-			
SUB \$50MM LOANS	240	-			
Total	1,988	-			
Remaining Capacity	4,012	2,437	2,352	(973)	1,379

*Only loans greater than \$50mm shown

Commentary

- ◆ **Overview:** The Aegis conduit was set up to fund unfunded high grade loan commitments. Aegis is backed by Lloyds Bank and is funded through CP issuances.

SLN Maturity Profile

Maturity	Amount (\$mm)
Week of Aug 13	566
Week of Aug 20	415
Week of Aug 27	-
Month of Sep	591
Month of Oct	80
Month of Nov	700
	2,352

Structured Cash Capital Issuance

- ◆ QTD Structured CC Issuance = \$3.6bn on 401 total trades
- ◆ QTD Average Structured CC Issuance per Week ~ \$325mm

Q3 Issuance Summary



Q3 Issuance by Currency (\$ millions)

	AUD	CHF	CZK	EUR	GBP	HKD	HUF	JPY	KRW	NZD	SEK	USD	Total
6/8/2007	14	-	-	38	2	-	-	17	-	-	34	63	167
6/15/2007	7	13	-	201	-	12	-	13	-	-	9	218	473
6/22/2007	2	-	-	33	-	-	-	17	-	-	-	53	104
6/29/2007	16	5	2	264	6	-	-	15	52	-	-	109	470
7/6/2007	6	6	-	225	-	-	-	5	-	7	-	70	319
7/13/2007	12	1	-	150	-	-	-	32	-	6	-	65	267
7/20/2007	12	-	-	104	-	-	-	13	12	-	2	79	223
7/27/2007	7	12	-	116	5	-	-	13	-	-	-	574	728
8/3/2007	1	-	-	454	9	-	2	13	-	-	-	46	526
8/10/2007	12	5	3	151	30	-	-	15	-	-	-	80	297
8/14/2007	-	-	-	-	-	-	-	-	-	-	-	13	13

Q3 Issuance by Tenor (\$ millions)

	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years	Total
6/8/2007	-	14	35	41	-	76	167
6/15/2007	-	91	31	41	16	294	473
6/22/2007	-	15	23	3	36	27	104
6/29/2007	-	183	61	85	59	82	470
7/6/2007	-	62	21	108	-	128	319
7/13/2007	-	153	31	14	11	58	267
7/20/2007	-	69	32	51	12	58	223
7/27/2007	-	472	33	118	73	32	728
8/3/2007	-	34	22	28	14	428	526
8/10/2007	-	125	49	38	38	47	297
8/14/2007	-	-	-	13	-	-	13

LBHI Facilities Pipeline

Included in Q3 Projections

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
Dresdner	Secured	5yr financing	USD	2,000	Jennifer F/ Amberish R.
RACERS	Secured	18-24-18	USD	1,000	Nahill Younis/ ALM
Total Included in Q3 Projections				3,000	

Included in Q4 Projections

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
AIG	Secured	5yr	USD	3,000	Jennifer F/ Amberish R.
Unicredit Americas	Secured	13 month extendible	USD	1,000	Huw Rees/KvR
BTMU (via Victory)	Secured	3yrs renewable annually	JPY	1,000	Emil Cornejo/ Keith Kennerly
HSB Nordbank	Secured	15 months extendible	USD	1,000	
Comerica	Secured	18 month extendible	USD	1,000	Steven Becker / Keith Kennerly
Hypo Public Finance	Secured	13 month rolled monthly	USD	1,000	Treasury - Creditor Relations
BNPP	Secured	18-15-18	USD	800	K von Ruffen/AF Sorasio
BTMU (NY)	Secured	19-18-19	USD	500	Emil Cornejo/ Keith Kennerly
Fidelity***	Secured	13 month extendible	USD	500	Steven Becker / Keith Kennerly
Danske	Secured	13-12-13	USD	500	Amberish R /Huw Rees
Blackrock	Secured	13-12-13	USD	500	Steven Becker / Keith Kennerly
State Street	Secured	13-12-13	EUR	400	Steven Becker / Keith Kennerly
ANZ	Unsecured	24-18-24	AUD	335	Nigel Watters
Citi	Unsecured	TBD	HKD/AUD/SGD (any liquid Asian currency)	300	Aireen Phang
HSBC	Unsecured	24 month extendible	HKD/JPY/SGD	300	Siddharth Sharad
BONY	Secured	13-12-13	USD	300	Steven Becker / Keith Kennerly
SMBC (Domestic syndicated loan)	Unsecured	5yr	JPY	250	Kishimoto
BBVA	Unsecured	18 month extendible	USD	250	Amberish Ratanghayra
Caylon	Unsecured	18 month extendible	USD	250	Amberish Ratanghayra
Charles Schwabb	Secured	13-12-13	USD	250	Steven Becker / Keith Kennerly
ABN	Secured	18 month extendible	USD	200	Karen v Ruffen/Huw Rees/ Keith Kennerly
BNPP	Secured	18-15-18	USD	200	K von Ruffen/AF Sorasio
Oppenheimer Funds	Secured	13-12-13	USD	200	Steven Becker / Keith Kennerly
DB	Unsecured	24 month extendible	HKD/JPY/SGD	200	Siddharth Sharad
Commonwealth Bank of Australia	Unsecured	13 month extendible	AUD	170	Nigel Watters
BTMU	Unsecured	24 month extendible	JPY	164	Kishimoto
CGD	Unsecured	18 or 24 month extendible	USD	100	Karen v Ruffen/ Enrique Verdu
Evergreen Investments***	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
Metrobank	Unsecured	30-18-30	PHP	100	Nigel Watters
Frank Russell Investments	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
Wachovia Golobal Securities	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
WAMCO	Secured	13-12-13	USD	100	Steven Becker / Keith Kennerly
Total Included in Q4 Projections				15,169	

Remaining Pipeline

Bank Name	Sec/Unsec	Tenor	Currency	New Credit (\$mm)	Owner / Contact
JPMorgan Chase	Unsecured	24-21-24	JPY	82	Kishimoto
Standard Chartered	Unsecured	24 month extendible	Multi	75	Nigel Watters
Chuo Mitsui Trust	Unsecured	24-21-24	JPY	41	Kishimoto
BPI	Unsecured	30-18-30	PHP	40	Nigel Watters
DnB Nor	Unsecured	3 year bullet or extendible	Multi	25	Amberish Ratanghayra
ING	Unsecured	2yr bullet	PHP	25	Nigel Watters
Banco MPS (Asia)	Unsecured	24 month bullet	HKD	-	Aireen Phang
DBS (Singapore)	Unsecured	24 month extendible	AUD/HKD/SGD	-	Aireen Phang
SMBC	Secured		USD		Emil Cornejo
TOTAL Remaining				288	

Lehman Extendible Bonds

Sec	Coupons	Effective		Extension	Notice Period	Next		Current MD	Final MD	Ccy	Notional (USD)
		1ml Level	SettleDate			Extension	Date				
MTNH109	1mL -1,+0,+1,+2,+3	1	5/24/2006	13-12-13	up until election date	8/14/2007	8/14/2008	6/14/2011	USD	500,000,000	
MTNI224A	3ml -1, 0, +1, +2, +3, +3	2	6/5/2007	13-12-13	up until election date	8/27/2007	8/27/2008	6/27/2013	USD	2,250,000,000	
MTNG105	1ml 0, +3, +6, +8, +8 thereafter	5	1/26/2004	13-12-13	up until election date	8/22/2007	8/22/2008	2/22/2009	USD	745,000,000	
MTNI21	FF+12, +12, +13, +14 +15, +16 thereafter	4	8/24/2006	24-21-24	from 10 to 2 days prior	8/22/2007	5/1/2009	8/22/2016	USD	300,000,000	
MTN7061	1m euribor +3, +4, +5, +6, +7	3	5/10/2007	13-12-13	from 8 to 3 days prior	9/10/2007	8/10/2008	5/10/2012	EUR	258,092,000	

LEHMAN EXTENDIBLE INVESTOR BASE

MTNH109

Investor	Size	Election Date	Action
Columbia	\$400	8/14/2007	Extended
BONY	\$100	8/14/2007	Did Not Extend, pending negotiations
Total	\$500		

MTNI224A

Investor	Size	Election Date	Action
FRANK RUSSELL COMPANY	\$300	8/27/2007	No Action
EVERGREEN INVESTMENT MGMT CO LLC NORTH CAROLINA	\$300	8/27/2007	No Action
FLORIDA STATE BOARD OF ADMINISTRATION	\$300	8/27/2007	No Action
WELLS CAPITAL MANAGEMENT CALIFORNIA	\$250	8/27/2007	No Action
DREYFUS CORPORATION	\$165	8/27/2007	No Action
NORTHERN TRUST COMPANY	\$150	8/27/2007	Will Not Extend, agreed to 13mo @ +3bps
GOLDMAN SACHS ASSET MGMT NY	\$140	8/27/2007	No Action
TD ASSET MANAGEMENT USA INC.	\$125	8/27/2007	No Action
AMERIPRISE FINANCIAL INC	\$100	8/27/2007	No Action
MARSHALL & ILSLEY BANK/PORT WISCONSIN	\$100	8/27/2007	No Action
TRUSCO CAPITAL MANAGEMENT INC	\$100	8/27/2007	No Action
T ROWE PRICE MARYLAND	\$50	8/27/2007	No Action
SEI INVESTMENTS MANAGEMENT CORP	\$45	8/27/2007	No Action
PUTNAM INVESTMENTS USA	\$45	8/27/2007	No Action
HARRIS INVESTMENT MANAGEMENT ILLINOIS	\$30	8/27/2007	No Action
HARTFORD INVESTMENT MANAGEMENT CONNECTICUT	\$25	8/27/2007	Will Not Extend
PRINCIPAL LIFE INSURANCE COMPANY	\$20	8/27/2007	No Action
WILLIAMS CAPITAL GROUP LP	\$5	8/27/2007	No Action
Total	\$2,250		

MTNG105

Investor	Size	Election Date	Action
Wall Street Funding	\$300	8/22/2007	No Action
JPMorgan	\$250	8/22/2007	No Action
Merril	\$150	8/22/2007	No Action
Texas Instruments	\$50	8/22/2007	No Action
Total	\$750		

MTNI21

Investor	Size	Election Date	Action
JP MORGAN CHASE BANK NA	\$300	8/22/2007	Will Not Extend
Total	\$300		

MTN7061

Investor	Size	Election Date	Action
State Street	EUR 200	9/10/2007	No Action
Total	EUR 200		

LEHMAN BROTHERS

Top 5 Money Market Repos

Date	Product	Rating	Amount	Amount (\$Millions)
7/31/2007	IBM INTERNATIONAL GRP CAP LLC	A1	275,911,076	276
	C/P ING (US) FUNDING LLC	A1	178,810,204	179
	C/P SVENSKA HANDELSBANKEN INC	A1	167,685,099	168
	C/P WINDSOR FUNDING TRUST 3(C)(7) RESALE TO QP ONLY	A1	151,048,306	151
	C/P SKANDINAVISKA ENSKILDA BK	A1	101,853,186	102
	Remaining Grand Total		1,120,405,773	1,120
8/1/2007	C/P ING (US) FUNDING LLC	A1	132,474,740	132
	C/P HEWLETT PACKARD CO. 4.2	A1	127,057,358	127
	C/P WINDSOR FUNDING TRUST 3(C)(7) RESALE TO QP ONLY	A1	122,464,963	122
	C/P NIGHTWATCH FUNDING 3(C)(7) RESALE TO QP ONLY	A1	115,235,261	115
	C/P NATIONAL COOPERATIVE 4.2 SERVICES CORPORATION	A1	109,739,627	110
	Remaining Grand Total		2,291,920,581	2,292
8/2/2007	C/P NATIONAL COOPERATIVE 4.2 SERVICES CORPORATION	A1	150,864,066	151
	C/P BARTON CAPITAL CORP 4.2	A1	147,654,607	148
	C/P STONY POINT CAPITAL CO. 3(C)(7) RESALE TO QP ONLY	A1	124,057,529	124
	C/P WINDSOR FUNDING TRUST 3(C)(7) RESALE TO QP ONLY	A1	120,489,089	120
	C/P SANDLOT FUNDING LLC 3(C)(7) RESALE TO QP ONLY	A1	97,695,825	98
	Remaining Grand Total		1,867,297,475	1,867
8/3/2007	C/P UBS FINANCE DELAWARE INC	A1	305,896,476	306
	C/P WINDSOR FUNDING TRUST 3(C)(7) RESALE TO QP ONLY	A1	127,996,990	128
	C/P ROCKIES EXPRESS PIPELINE LLC	A2	116,087,587	116
	IBM INTERNATIONAL GRP CAP LLC	A1	103,100,626	103
	C/P SANDLOT FUNDING LLC 3(C)(7) RESALE TO QP ONLY	A1	97,331,279	97
	Remaining Grand Total		1,516,908,927	1,517
8/6/2007	C/P BELMONT FUNDING 3(C)(7) RESALE TO QP ONLY	OTHER	445,170,646	445
	C/P VARIABLE FUNDING 4.2 CAPITAL CORP	A1	245,656,868	246
	C/P WINDSOR FUNDING TRUST 3(C)(7) RESALE TO QP ONLY	A1	142,353,165	142
	C/P STONY POINT CAPITAL CO. 3(C)(7) RESALE TO QP ONLY	A1	131,452,909	131
	C/P ROCKIES EXPRESS PIPELINE LLC	A2	124,303,559	124
	Remaining Grand Total		975,598,459	976
8/7/2007	C/P VARIABLE FUNDING 4.2 CAPITAL CORP	A1	281,678,966	282
	C/P CANCARA ASSET SECURITY	A1	248,754,146	249
	C/P STONY POINT CAPITAL CO. 3(C)(7) RESALE TO QP ONLY	A1	247,071,785	247
	C/P VERSAILLES CDS LLC	A1	244,228,792	244
	C/P COMMERZBANK US FINANCE INC	A1	196,327,118	196
	Remaining Grand Total		1,701,833,181	1,702
8/8/2007	C/P AEGIS FINANCE LLC ECN	A1	637,993,400	638
	C/P VARIABLE FUNDING 4.2 CAPITAL CORP	A1	251,766,588	252
	C/P VERSAILLES CDS LLC	A1	245,079,392	245
	C/P CANCARA ASSET SECURITY	A1	244,274,466	244
	C/P COMMERZBANK US FINANCE INC	A1	181,417,249	181
	Remaining Grand Total		1,626,740,330	1,627
8/9/2007	C/P AEGIS FINANCE LLC ECN	A1	734,093,703	734
	C/P STONY POINT CAPITAL CO. 3(C)(7) RESALE TO QP ONLY	A1	313,125,087	313
	C/P VARIABLE FUNDING 4.2 CAPITAL CORP	A1	251,030,306	251
	C/P ROCKIES EXPRESS PIPELINE LLC	A2	250,267,664	250
	C/P VERSAILLES CDS LLC	A1	248,270,012	248
	Remaining Grand Total		1,815,979,846	1,816
8/10/2007	C/P AEGIS FINANCE LLC ECN	A1	3,612,766,617	3,613
	C/P ROCKIES EXPRESS PIPELINE LLC	A2	929,614,405	930
	C/P STONY POINT CAPITAL CO. 3(C)(7) RESALE TO QP ONLY	A1	273,890,638	274
	C/P VERSAILLES CDS LLC	A1	263,366,370	263
	C/P CANCARA ASSET SECURITY	A1	245,714,891	246
	C/P COMMERZBANK US FINANCE INC	A1	238,754,954	239
Remaining Grand Total		1,518,586,566	1,519	
8/13/2007	C/P AEGIS FINANCE LLC ECN	A1	500,354,985	500
	C/P VARIABLE FUNDING 4.2 CAPITAL CORP	A1	251,794,570	252
	C/P VERSAILLES CDS LLC	A1	245,846,158	246
	C/P CANCARA ASSET SECURITY	A1	245,053,641	245
	C/P ROCKIES EXPRESS PIPELINE LLC	A2	171,767,657	172
	Remaining Grand Total		962,163,623	962
8/14/2007	C/P AEGIS FINANCE LLC ECN	A1	2,376,980,535	2,377
	C/P SOCIETE GENERALE NORTH AMERICA	A1	812,563,020	813
	C/P SOCIETE GENERALE NORTH AMERICA	OTHER	425,254,735	425
	C/P VARIABLE FUNDING 4.2 CAPITAL CORP	A1	382,093,899	382
	C/P VERSAILLES CDS LLC	A1	254,611,301	255
	C/P CANCARA ASSET SECURITY	A1	247,006,982	247
Remaining Grand Total		246,948,121	247	
			1,096,110,332	1,096
			3,464,588,389	3,465